

State of the City Address 2014
Mayor Harrison
City of Fremont

Every day I am proud of our great city,
and the people and businesses who call Fremont home.

Whether it's Fremont's own LAM Research, expanding their current footprint by building a \$87 million dollar, 134,000 square foot office and R&D facility on their campus,
or Stella Han and Hannah Choi, two Mission San Jose high school students who are headed to play at Carnegie Hall in December.

There's no shortage of people and businesses who make up Fremont's diverse fabric,
and who are out there doing innovative, creative,
and amazing things.

Today, I would like to tell you about some of these great stories in our community,
about people who are making a difference,
about new places and things to do in Fremont,
and companies and events that make our city such a great place to live, work, shop,
and play.

In Fremont, it all starts with a great team.

Our City team believes in tenacity, innovation, and embracing our diversity.

We are not afraid to take the lead, and believe team work and strategic partnerships are key investments in advancing our city.

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This holds true for our City Council and City staff.

I want to acknowledge the members of the City Council who come from a diverse background and work hard to guide the City.

We each bring a different skill set to the table,
and each one of us is dedicated to making Fremont shine.

I would like to introduce:

Vice Mayor Vinnie Bacon

Councilmember Anu Natarajan

Councilmember Sue Chan

Councilmember Raj Salwan

I want to thank each of them for their dedication and commitment to Fremont.

I also want to thank

City Manager Fred Diaz

and the Management Staff,

and all of the City employees for their contributions to making Fremont a bright city.

We are all working together to ensure the stars are aligned in Fremont.

According to a recently conducted community survey completed last October, Fremont residents are very satisfied with the services the City provides

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and the way in which our financial affairs are managed.

According to the data,

four out of five Fremont residents rate the quality of life in the City as “good” or “excellent.”

In addition, we also learned that the most important services to community members continue to be public safety,

garbage and recycling,

street maintenance,

traffic enforcement and economic development.

Also, most residents feel positive about the pace of growth and development in Fremont,

though many would like to see more entertainment options and nightlife.

And we’re working on that.

Recently, Rockin' Jump opened in Fremont, providing wall-to-wall trampolines, foam pits, basketball “dunk zones” and a café.

And we finally opened our long-awaited Skate Park last May to rave reviews.

With an average of 100-plus skaters per day, it’s evident that this state-of-the-art facility is filling a need.

And while our local community gives the City high marks,

we’re also shining on a national level.

Fremont was recently ranked as the second best run city in America by 24/7 Wall St.,

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climbing from last year's fifth spot.

And in the last five months, Fremont has also been recognized as one the happiest cities in America by Career Bliss,

A best place to live in 2014 by Livability dot com,

The nation's no. 1 city for home sellers by the Movoto Real Estate Blog,

And a top city for California job seekers by Nerd Wallet.

But that's not all!

Fremont also took first prize at the 2014 City Cultural Diversity Awards from the National League of Cities for our Community Ambassador Program for Seniors.

CAPS trains volunteers to serve seniors in their own communities,

in their own languages and within their own cultural norms, where seniors live, worship and socialize.

I'm also proud that our city works at the speed of business.

Fremont continues to lead in advanced manufacturing,

even receiving national recognition for being the part of Silicon Valley 'where things get made'.

Companies like Excelitas

West Coast Quartz,

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Oorja Protonics

and others have shared their stories of re-shoring manufacturing operations from overseas right back here to Fremont.

Locally, we are working to make sure our City processes are evolving to address a rapidly changing world where new products are introduced before the last one is even coming off the assembly line.

Just over a year ago, Fremont, in collaboration with other Silicon Valley cities, founded the Silicon Valley Manufacturing Roundtable.

This is a forum that brings together the manufacturing sector with government, education, and workforce agencies to address industry challenges and advocates for advanced manufacturing.

And if you haven't heard of National Manufacturing Day, don't worry, you will.

Although Hallmark doesn't have a card for this October event yet,

Fremont manufacturers,

such as:

Western Digital,

CalWeld, and

Biolytic

have already opened their doors to the 'next generation workforce' to change perceptions and build excitement for careers in manufacturing.

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Over the last year, Fremont has also made important strides in solidifying its status as a hub for clean technology.

We engaged an industry expert to help us understand the underlying market dynamics that have created Fremont's impressive Clean Tech Cluster.

It turns out that it's no accident that Fremont has so many solar and L-E-D companies given our history in the semiconductor industry and sensor technology expertise.

And, we put this city on the cleantech map by hosting the Cleantech Open's 2013 Western Regional Awards.

The Cleantech Open is the country's largest accelerator for cleantech startups.

We were thrilled to have 200 people join us here at the Marriott for thought provoking panels and keynotes,

a technology expo, where many of our own cleantech companies participated,

and an awards ceremony for some of tomorrow's most promising technologists

in energy, green building, and advance materials.

We threw in some extra pizzazz by hosting a venture capital reception at Tesla, providing matchmaking opportunities between investors and entrepreneurs.

And I'm very pleased to announce that after spending time with the Fremont team, Western Regional winner,

and one of Forbes '30 Under 30', has moved their business to Fremont.

I'd like to welcome Dragonfly Systems to Fremont.

We look forward to supporting their continued growth.

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Speaking of Tesla, last year they were named Motor Trends, Car of the Year.

And now, they have recorded the shortest charge time for an electric vehicle traveling across the country,

a feat that is now being assessed for recognition as a Guinness World Records achievement.

The company continues to grow, producing over 500 vehicles a week while employing over 3,500 people here in Fremont, with more to come as they ramp up production of the Model-X.

The Factory itself has become a full service operation with several Tesla Superchargers,

a Service Facility,

and most importantly,

a flag ship retail store and showroom where you can buy your locally manufactured Model-S and soon,

your Model-X.

Such purchases will give a bump to our bottom line,

so what are you waiting for?

And Fremont's Auto Mall is truly 'firing on all cylinders.'

While it contributed significantly to our budget when other sectors suffered during the downturn, it remains one of our strongest sales tax generators.

In fact, the Fremont Auto Mall is one of the top performing Auto Malls in the region.

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In Fremont, we are proud to say that we have had a retention-oriented economic development strategy for quite some time with exciting expansion stories to show for it.

As I reported last year, four companies are well on their way.

Thank you to:

Thermo Fisher Scientific,

Seagate Technologies,

Delta Products, and

Men's Wearhouse

for your decision to stay, grow, and invest right here in Fremont.

Continuing our success with local companies expanding,

I've already told you about Lam's expansion.

Another great success story is furniture distributor,

Home Elegance, who is completing a major expansion with the construction of a 95,000 square foot building in Bayside.

They also just purchased a 300,000 square foot industrial building on Kato Road, making it the largest industrial real estate deal in the East Bay in 2013.

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And just down the freeway, Overton Moore's

"The Crossings at 880" project, has three new industrial buildings under construction at Dixon Landing Road.

This is Fremont's first industrial 'spec' development in over 10 years, a sign of a hot market!

And up the road in Ardenwood,

EFI has recently relocated their new corporate campus,
complete with hip, Silicon Valley amenities to serve their more than 400 employees.

Of note is that they are occupying a building that had been vacant for over 10 years.

And what a year it's been for Pacific Commons.

We saw Phase I of The Block open,
which offers a long-awaited lifestyle component to the shopping center,
including pedestrian amenities,
quality architecture,
and most importantly,
great retailers and restaurants.

And last year the center's original owner and developer, Catellus, sold a portion of the center to Chicago-based investment company Heitman.

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This turned out to be the largest retail property sale in the Bay Area in 2013.

We look forward to working with both companies,

as well as new management partner, Vestar Properties, to further position this regional retail powerhouse.

We're also looking forward to Dick's Sporting Goods coming, filling a long needed void in our retail mix.

Another exciting retail project taking shape is the City's Downtown District.

Last September, Whole Foods Market celebrated their grand opening at the gateway to our Downtown.

People have always told me that one of the reasons Fremont wasn't a successful retail town was because of our diverse population.

Boy, have we proven them wrong.

Our diversity can add to our retail mix and should be celebrated.

Look at what Whole Foods is doing.

They have halal meat, dosas, a rice bar and made to order wok stir fry.

They are indeed celebrating and matching Fremont's diversity,
and succeeding in the marketplace by using it to their advantage.

I think they should be applauded.

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Another example is the Joshua Project, started by 7 year-old Joshua Goldenberg who is blind.

With Fremont being home to California School for the Blind,

Whole Foods celebrated our diversity by bringing Braille labels and audible scanners to their Fremont store as well as across the country.

And Whole Foods is also working with local companies like Spicely Organics.

Spicely is a local supplier now getting national exposure based on their relationship with Whole Foods.

And because of the spice and tea company's growth, they are looking to expand in Fremont.

So, as we look to build our Downtown, we will continue to celebrate all things Fremont.

And we certainly celebrated earlier this year when we were awarded a \$5.8 million dollar grant to establish Capitol Avenue as the future Downtown "Main Street."

These grant funds will also be used to improve pedestrian and bicycle connections between the Downtown and the Fremont BART Station with improved signage,

landscaping,

and widened path-ways.

We look forward to continuing our Downtown Street Eats food truck event, which kicks off on April 25.

We thank the Chamber staff for managing this hip, new urban event for Fremont.

We also have our Civic Center Master Planning under way to help us build a place in

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the Downtown to serve as the social and political heart of our community.

And at the Paragon apartments between Walnut and California avenues,
the occupancy rate is nearly 80%.

This is impressive since they officially opened their doors last July.

85% of their rental population represents Gen-X and Gen-Yers,
as well as empty nesters.

This exemplifies the fact that Downtown locations,
in close proximity to a variety of transit options, recreational spaces,
retail, and employment opportunities is the wave of the future.

With all this development activity in the city, I am pleased to report that we recently have
substantially streamlined our planning and permitting processes.

And we're instituting new over the counter solar permitting for routine residential
installations. Mike Powers from Diablo Solar was our first customer.

And to help businesses through the City's permitting process, we created a Business
Ally position last year.

You may have already met Jackie Hall at a recent Chamber meeting or small business
association gathering.

She is doing a great job in this new role.

Also, our Economic Development staff continues to provide a great bridge between the
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business community and the City.

Moving on now.

We are making progress with extending BART to Warm Springs/South Fremont and then, ultimately, further south into San Jose.

Even though the construction dust hasn't settled yet, we look forward to BART service to Warm Springs beginning by December 2015.

And while the drought we're in is a serious matter, the exceptionally dry conditions have aided the Valley Transportation Authority to get ahead of schedule on the 10-mile Berryessa extension to San Jose.

We look forward to BART passenger service to San Jose in 2017, although that's really a year ahead of schedule.

So, stay tuned for next year's State of the City Address for a more accurate construction update.

I think it's important to note that in the Warm Springs and surrounding areas, BART and VTA regional transit infrastructure projects,

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as well as the SFPUC's seismic upgrades,
total nearly \$8 billion dollars of investment in our region.

This is why it's critically important for Fremont to capitalize on the timing of this large investment with our Warm Springs Community Plan.

And, that's just what we're doing.

The draft Plan and EIR are under review on the Warm Springs South Fremont area,
and we have made progress in transforming this area to a transit-oriented jobs focused development.

I'd like to thank the Fremont Unified School District for their partnership in developing a new school as part of this development.

As mayor, I look forward to partnering with the school district to pass their facilities bond to help all 42 schools in the district.

We also have a great cooperation with Union Pacific.

I'd like to thank Rick Gooch, who is here with us today, for all his hard work.

Union Pacific sold the 'south parcel' to Thermo Fisher and Tesla Motors last year.

The 'north parcel,' which is 109 acres, is soon to be in contract with a national developer.

This parcel, along with a few key adjacent parcels, make up the area around the Warm

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Springs South Fremont BART station.

This development will be a Silicon Valley job center, uniquely positioning our city as a place where our students, after college, can return to Fremont and live and work in the city which they grew up in.

Working for the next generation of Silicon Valley companies right here in Fremont.

This is been a complex project, but definitely a labor of love.

Because the vision we are holding out for approaches something very special for our region.

This has also been a strong partnership.

I want to thank Union Pacific for pausing,
looking at our vision,
and seeing possibilities other than a railyard.

I also want to thank FUSD, BART, and the development community for working side-by-side as we work on this 21st Century jobs focused development.

To have progressed as far as we have, in such a short amount of time, is truly amazing.

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And to complement all this activity, Fremont has branded its Innovation District, which is comprised of Warm Springs and Bayside, where most of Fremont's innovation companies reside.

Look for new signage, planned events, and, ultimately, a Welcome Center to be introduced.

And speaking of investment, despite the fact that Redevelopment is no longer a tool we can use to improve areas of our city, significant progress has been made this past year.

The Successor Agency hopes to conclude wind down efforts shortly so that it may terminate its existence,

which in this case,

is a good thing.

Because when that happens,

we've already approved Artist Walk,

a high-quality mixed-use project that would be located in Centerville.

And we're looking at creative ways to continue investing in affordable housing since our largest funding source of Redevelopment was eliminated.

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Noteworthy to mention is,

Fremont was one of the first cities in the State to support affordable housing by dedicating so-called 'boomerang funds,' which are modest amounts of new General Fund monies the City will receive in lieu of former Redevelopment revenues.

These monies will go toward affordable housing so we can construct some new units in our city.

In addition to affordable housing, we also take environmental sustainability very seriously.

From the Climate Action Plan adopted by the Council in 2012,
to the newly-created Environmental Sustainability Commission that met for the first time last July,
we are keeping this forward momentum going.

We have hired Rachel DiFranco, a Fremont native, as our new Sustainability Coordinator,
and have continued a program to replace existing streetlights with energy efficient LED technology.

Plans are also in the works to install solar panels at several City facilities.

And it's safe to say that a lot of Fremont's success is due to the fact that we hire great people.

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In January, we filled two key management positions to oversee the City's finance and public works departments.

Meet David Persselin,
our new Finance Director,
and Bryan Jones,
our new Public Works Director.

In just three months, they have already contributed greatly to our City organization.

And, we're also getting techy.

We adopted the City's first-ever Information Technology Strategic Plan to serve as our roadmap.

By embracing new technology and being proactive, the Plan includes initiatives that will improve accessibility and open up communication between the City and our residents.

We are working on bringing mobile applications to the community to share information and to identify and report issues.

Some of these apps include finding out about local road conditions and traffic patterns,

reporting problems, such as graffiti, potholes, and street lights,

and locating City facilities, including parks and community centers.

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Access to these mobile apps will be available on the City's website in the future.

And switching gears now to public safety,

I was proud to be there the day we dedicated the police building on Stevenson to my mentor and Fremont's former mayor and police chief, Bob Wasserman.

One of the things that Bob taught me was that you never want to talk about how safe your city is because you're always just one crime away from being in the news.

And we all know that one crime, is one too many.

But I think it's also important to honor and celebrate the brave men and women of the Fremont Police Department.

Pedestrian safety has been one of the Police Department's highest priorities.

In fact, Police Chief Richard Lucero, who is serving as this year's President of the California Peace Officers' Association, has identified the reduction of injury accidents as one of three core goals for our Police Department to meet.

They continue to analyze data to better understand the dynamics and circumstances causing collisions in our city,

with part of the focus being on roadways near schools during the hours of pick up and drop off.

They are focusing department resources on improving those conditions.

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Speaking of pedestrian safety,
here's one thing we're doing as a City.

At Washington Hospital, there was an increase in pedestrian vehicle collisions on Civic Center Drive,
and we wanted to turn that around.

We worked with the Hospital to evaluate this trend,
and found that distracted drivers and pedestrians,
the speed of motorists,
as well as shadows,
were the cause of most of these collisions.

Since the goal was to improve safety along Civic Center Drive, I am pleased that we accomplished this collaboratively.

These improvements should help enhance the safety and awareness of this very important crosswalk to Downtown, the Hospital, and BART.

And while the Police Department has initiated several strategies that are making a difference with pedestrian safety,
they have also increased two-way communication with the community,
encouraged and partnered with residents in the use of home and commercial video surveillance,
and have focused on enforcement using information provided by our residents.

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We believe these efforts are what have contributed to the decrease in Fremont's residential burglary rate by 27% from 2012 to 2013.

While this is wonderful news,

I believe we can do even more to keep our community safe through the use of video surveillance of public roadways.

Look for the Police Department to launch their outreach effort soon.

And over in the Fire Department, we welcomed 11 new recruits in December.

They passed their rigorous 17-week training academy and are now assigned to one of Fremont's 10 fire stations.

This is a big deal for our city, since the last time the Fire Department held an academy was in 2007.

Another big deal, is that we are the first Fire Department in California to install the U-Cap-it system for storing and dispensing controlled substances.

And the Department promoted a Deputy Fire Chief, Jim Martin, and two Battalion Chiefs, Steve Silva and Don Linneman.

These promotions make up one third of our Command Staff.

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And we have some new big equipment that helps our wildland firefighting capabilities, having delivered and placed in to service a new 2,500 gallon Water Tender and a new off-road attack Engine.

And something I continue to be proud of is Fremont's true public safety partnership between our Police and Fire Departments.

Case in point.

Who needs the Batmobile when you've got a public safety mobile command unit to save the day?

It can also be used as an on-site coordination center for major city events and a fully operational 9-1-1 dispatch center.

Did you notice color?

No blue or red to be found.

And, luckily, the City's budget isn't in the red either.

We are continuing our modest recovery,
but remain prudent and cautious.

The unemployment rate has dropped significantly in Fremont at 4.8%, while a year ago it was 5.8%.

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And I am proud to say that today it is lower than the Alameda County average of 6.7%.

And we have seen some continuing positive indications, such as an increase in the average price of homes,

which are getting closer to the pre-recession levels.

And sales tax continues to be our second largest revenue stream,
and I'm happy to report that it continues to grow.

The blue line at the top is our business-to-business sector.

The red line shows our auto sales, which has been increasing significantly, thanks in large part to the success and continued growth of our Auto Mall.

The green line depicts sales tax from general consumer goods,
which have increased with the expansion of Pacific Commons and The Block.

And this year, we plan to spend about \$9.1 million dollars on unmet needs.

The Council has reaffirmed this as a priority as we plan for future years.

This is great news because our public safety departments, streets, and affordable housing stock all need a boost.

And being a CPA, I always like it when our departments think outside the cash box to enhance revenues.

Here's an example.

In January, the Central Park food vendor contract expired.

We saw this as a great opportunity to move this service in house.

Now, the Aqua Adventure Catering & Event Services Team has added the operation of the Central Park Snack Bars to their scope of services.

This change will bring in more than \$200,000 dollars in new revenue for our Recreation Division.

So next time you're in Central Park, be sure to arrive hungry!

And we're also getting creative with our street maintenance dollars.

I'm pleased to report that we increased the spending for street maintenance in our Capital Improvement Program,

from \$4.9 million dollars last fiscal year

to \$12 million this fiscal year.

To make these dollars stretch,

staff is using rubberized cape seal treatments,

which delay more costly street 'overlay' repairs for those streets currently in good or fair

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condition.

This is a very cost effective treatment and allows us to maintain more street sections.

And after a decade of closure, the City is now contributing nearly a quarter of a million dollars to restore Sunday library hours

and ensure that Fremont residents have access to the books and resources they need.

This was long over due, and I'm happy we could finally make it happen.

Overall, Fremont's recovery is modest and our outlook is still cautious.

We are doing the prudent thing and have a plan in place to step into funding some of the unmet needs.

Where possible, we will continue employing creative solutions to stretching our dollars for the community.

Today, I have talked a lot about what's happening in Fremont and what's on the horizon.

While we have expanded our communication and engagement efforts with our citizens over the past couple of years,

we are now focusing on the development and corporate community.

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To help tell our Fremont story, and making sure we're not the Bay Area's best kept secret any longer, we launched a new website last summer called

Think Silicon Valley dot com.

We will continue to leverage and enhance this digital property, expanding our reach to different groups of corporate decision makers, from venture capitalists to entrepreneurs to real estate professionals.

And we're also blogging these days about Fremont's changing business environment. I encourage you to subscribe and be part of the conversation.

And along with our snazzy new business website, we are debuting our brand new Think Fremont video here today.

It's a great video that we're using to market Fremont and tell our story.

But, don't take my word for it.

Have a look for yourself.

(Play Video – 3 min.)

Wasn't that great?

I especially love the fact that Fremont is positioned as a city where things are made,

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as well as a great place to live, work, shop, and play.

So let me wrap up this year's State of the City by saying,
Fremont's future is bright.

We have so many innovative companies and small businesses in our community,
some of them mentioned here today.

They are all shining stars contributing to Fremont's promising future.

And because of people like you, here today, who care about Fremont,
I'm confident,
we can accomplish anything
by working together.

For that,
I thank you.

I also want to thank the Fremont Chamber of Commerce for their partnership with the
City
and for hosting today's luncheon.
We look forward to continuing to work together.

And I want to thank the Marriott and their staff for once again putting on a great event
and going above the call of duty.

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Lastly, I want to thank Cheryl Golden, our Communications Manager, for her patience, hard work, and dedication putting this Address together.

At the start of this speech I told you I was proud of our great city.

And while I truly am proud today,

I am more excited about the future.

Because the future is bright in Fremont.

Thank you.

I'll now take questions.